

EXHIBIT B

DANIEL GRAVEL
LULA WILLIAMS vs BIG PICTURE LOANS

April 05, 2019

1

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE EASTERN DISTRICT OF VIRGINIA

3 LULA WILLIAMS, GLORIA TURNAGE,) CASE NO: 3:17-cv-461

4 GEORGE HENGLE, DOWIN COFFY, and)

5 FELIX GILLISON, JR. on behalf of)

6 themselves and all individuals)

7 similarly situated,)

8 Plaintiffs,)

9 -vs-)

10 BIG PICTURE LOANS, LLC; MATT)

11 MARTORELLO; ASCENSION TECHNOLOGIES)

12 INC.; DANIEL GRAVEL; JAMES)

13 WILLIAMS, JR.; GERTRUDE McGESHICK;)

14 SUSAN McGESHICK; and)

15 GIIWEGHZHIGOOKWAY MARTIN,)

16 Defendants.)

17 _____)

18 VIDEOTAPED DEPOSITION OF DANIEL GRAVEL

19 Washington, DC

20 April 5th, 2019

21 10:00 a.m.

22 REPORTED BY: ALEXANDRIA KAAAN

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1 A. No.

2 Q. Do you consider yourself an expert in the
3 relationship -- strike that.

4 Do you have an understanding of the term "Tribal
5 sovereign unity"?

6 A. Yes.

7 Q. What is your understanding?

8 A. That the tribe is an entity that has its own laws
9 and regulations that apply to anyone on tribal land who
10 might agree to abide by tribal law, essentially. And
11 that state law cannot supersede tribal law.

12 Q. When you were with Bellicose VI or Bellicose
13 Capital, did you believe that the lending activities of
14 Red Rock and Duck Creek were illegal?

15 A. No.

16 Q. At any time that you were with Bellicose Capital
17 or Bellicose VI, did you believe that you were engaging
18 in any illegal activity?

19 A. No.

20 Q. During the time that you worked at Bellicose
21 Capital and Bellicose VI, did you believe that Bellicose
22 VI or Bellicose Source Point as an entity was engaging

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1 in illegal activity?

2 A. No.

3 Q. Did anyone ever suggest to you that in fact Red
4 Rock and Duck Creek were engaging in illegal activity?

5 A. No.

6 Q. Did anyone suggest to you that you were engaging
7 in illegal activity?

8 A. No.

9 Q. Did anyone suggest to you that Bellicose VI and
10 Bellicose Capital were engaging in illegal activity?

11 A. No.

12 Q. Did Matt Martorello ever say anything to you that
13 suggested to you that Mr. Martorello believed that
14 tribal law did not apply to the lending contracts
15 between Red Rock and consumers, and Duck Creek and
16 consumers?

17 A. No.

18 Q. Did Mr. Martorello ever say anything or do
19 anything which led you to believe that he believed that
20 his conduct in connection with Bellicose VI and
21 Bellicose Capital was in any way illegal?

22 A. No.

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1 guidance?

2 MS. KELLY: Object to the form.

3 A. No. The whole purpose of the compliance program
4 and engaging with the third-party compliance consultant
5 was to ensure compliance with federal law and
6 regulation.

7 BY MR. SCHEFF:

8 Q. Have you ever heard of Operation Chokepoint?

9 A. Yes.

10 Q. What did you have an understanding of what
11 Operation Chokepoint was?

12 A. My recollection is that it was an effort by the
13 Department of Justice, I believe, to influence banks and
14 payment processors not to work with certain lending
15 entities.

16 Q. Including tribal lending entities?

17 A. From what I remember, yes.

18 Q. Let's go back to the CFPB for a second. Based on
19 your understanding of CFPB guidance or regulations, did
20 that in any way change your view as to whether or not
21 you were engaging in any illegal activity?

22 A. No.

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1 Q. Did it change your belief as to whether or not
2 Bellicose VI or Source Point was engaging in illegal
3 activity?

4 A. No.

5 Q. Did it change your belief as to whether Red Rock
6 or Duck Creek was engaging in any illegal activity?

7 A. No.

8 Q. Same questions for Operation Chokepoint:
9 Anything you understand for Operation Chokepoint impact
10 or change or affect your belief in whether or not
11 Bellicose VI or Source Point were engaging in illegal
12 activity?

13 A. No.

14 Q. What about Red Rock or Duck Creek?

15 A. No.

16 Q. Do you have an understanding of what happened
17 with Operation Chokepoint?

18 A. I don't recall what happened.

19 Q. Does it still exist today, as far as you know?

20 A. I don't believe it does, but I'm not sure.

21 Q. Have you ever heard that Congress has criticized
22 Operation Chokepoint as an overreaching activity by the

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1 Department of Justice and FDIC?

2 A. I believe I did hear that.

3 Q. When did you hear that?

4 A. I believe sometime after I left Bellicose.

5 Q. Are you familiar with a lawsuit that LVD and
6 another tribe called the Otto Missouri filed against the
7 New York Division of Financial Services?

8 A. I have a vague recollection of it.

9 Q. What do you remember about it, if anything?

10 A. Nothing really. I saw an e-mail yesterday sort
11 of related to that, but I don't recall what the case was
12 about or really what LVD's involvement was.

13 Q. Is there anything that you remember about the
14 case against the New York Division of Financial Services
15 which either changed your view, then or now, about
16 whether or not you were engaging in any illegal
17 activity?

18 A. No.

19 Q. Is there anything about the New York Division of
20 Financial Services case that you knew, then or now,
21 which affected your belief about whether the activities
22 of Bellicose VI or Bellicose Capital were illegal?

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1 A. No.

2 Q. What about Red Rock or Duck Creek?

3 A. No.

4 Q. Can we mark this as Exhibit 1, Exhibit 2, and
5 Exhibit 3, please?

6 (Whereupon Exhibit Nos. 1 through 3 are marked for
7 identification.)

8 Q. So Mr. Gravel, I'd like you to take a look at
9 what's been marked as Exhibit 1, which bears -- you're
10 familiar with Bates labelling. Is that right?

11 A. Yes.

12 Q. Lower right-hand corner of the first page says
13 Rosette 002699. Do you have that?

14 A. Yes, I do.

15 Q. And where it all starts is on the last page,
16 which is Rosette 002705. Can you look at this document
17 and just familiarize yourself with this document,
18 please?

19 A. Okay, I've read it.

20 Q. Does reading Exhibit 1 refresh your recollection,
21 in any respect, with respect to the New York litigation?

22 A. No, it doesn't.

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1 AG that was being aggressive.

2 Q. Were those recommendations, if any that were made
3 like that, made because of a belief that you had that
4 Bellicose VI or Bellicose Capital was engaging in
5 illegal activity?

6 MS. KELLY: Object to the form.

7 A. No.

8 BY MR. SCHEFF:

9 Q. So how can you reconcile the recommendation with
10 not having a belief that Bellicose VI or Bellicose
11 Capital was engaging in illegal activity?

12 A. Because while we believed that Bellicose VI and
13 Bellicose Capital were engaging in perfectly legal
14 activities and that the tribal entities were engaging in
15 perfectly legal activities, my recollection is that we
16 may have decided it wasn't worth the time and effort of
17 having to deal with state regulators who disagreed with
18 us.

19 Q. And -- strike that.

20 Take a look, would you please, at Exhibit 2.
21 Just if you could read that and familiarize yourself
22 with that. We're going to need to take a break soon

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1 well, or just the e-mail?

2 Q. Review as much as you need to familiarize
3 yourself with the document.

4 A. Okay. I've read it.

5 Q. The e-mail, the first page, which is from Karrie
6 Witchman to a list of people including yourself dated
7 October 14th, 2014, are you familiar with this e-mail?

8 A. No, I'm not.

9 Q. Do you know what the Jackson versus Cash Call
10 case that's referred to on the first page?

11 A. No.

12 Q. Do you know the second Cash Call case,
13 Inetianborr versus Cash Call? Do you know what that one
14 is?

15 A. I'm not familiar with that.

16 Q. "The decision in our case in the Second and Third
17 Court" referred to in the second and third line, do you
18 know what that means/what that refers to?

19 A. No.

20 Q. Did any case law during the time period that you
21 were employed by Bellicose VI or Bellicose Capital that
22 was coming out impact your belief that the conduct of

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1 Bellicose VI and Bellicose Capital was legal?

2 A. No.

3 Q. Did any of the case law that came out impact your
4 view as to whether the conduct of Red Rock or Duck Creek
5 was lawful?

6 A. No.

7 Q. Why not?

8 A. We had gotten the advice of many different
9 attorneys that the conduct of Bellicose as a service
10 provider and the conduct of the tribal lending entities
11 was legal.

12 Q. Let me ask you about what you just said: You
13 talked about Bellicose as the servicer and Red Rock and
14 Duck Creek as the tribal lender. Were they the same
15 entity or separate entities?

16 A. They were separate entities.

17 Q. As far as you know, did Mr. Martorello control
18 Red Rock?

19 A. No.

20 Q. Did he control Duck Creek?

21 A. No.

22 Q. Who did?

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1 what?

2 A. No, not specifically.

3 Q. What about generally?

4 A. Generally, no.

5 Q. Did anything about the economics cause you to
6 believe that the conduct of Bellicose VI or Bellicose
7 Capital was illegal?

8 A. No.

9 Q. What about with respect to Red Rock or Duck
10 Creek, anything about that, about the economics, suggest
11 to you or cause you to the believe that the conduct of
12 Red Rock or Duck Creek was illegal?

13 MS. KELLY: Object to the form: Lack of
14 foundation.

15 A. No.

16 BY MR. SCHEFF:

17 Q. Are you aware that at some point Mr. Martorello
18 sold Bellicose to a tribal entity?

19 A. Yes, I am aware.

20 Q. And did that occur while you were employed at
21 Bellicose?

22 A. So I believe I saw an e-mail recently where I had

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1 Q. So you, sitting here today, can you testify what
2 you understood Mr. Martorello's state of mind to be
3 regarding the legality of what he believed the Bellicose
4 and Red Rock/Duck Creek relationship was without any
5 specific recollection about those types of
6 conversations?

7 MR. SCHEFF: Objection: Asked and answered.

8 He can answer.

9 A. His state of mind with regard to you said the
10 legality of --

11 BY MS. KELLY:

12 Q. His belief about the legality.

13 MR. ANTHONY: Just to be clear: Of the
14 loans that were being served by Bellicose?

15 MS. KELLY: The Bellicose/Red Rock/Duck
16 Creek relationship.

17 A. My impression of his state of mind is that the
18 relationship was perfectly legal.

19 BY MS. KELLY:

20 Q. Under what laws?

21 A. Under federal law and tribal law.

22 Q. Do you know if Mr. Martorello believed the

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1 Bellicose relationship with Duck Creek/Red Rock was
2 legal under state laws?

3 A. When you say "The relationship", are you talking
4 about -- I'm not sure what would have been illegal about
5 the relationship. Are you referring to usury rates or
6 interest rates?

7 Q. Yes, yes.

8 A. So I think it wasn't that the relationship was
9 illegal under state laws, it's just that state laws
10 didn't apply.

11 Q. And what did Mr. Martorello base that
12 understanding on, to the extent you're able to speak to
13 the state of mind?

14 A. I think he would have based that understanding on
15 the advice of legal experts in the area.

16 Q. Which legal experts?

17 A. Probably Jennifer Weddle at Greenberg Traurig;
18 possibly attorneys at Hudson Cook; possibly Karrie
19 Witchman in the Rosette firm.

20 Q. Did you ever draft any policies or procedures to
21 attempt to comply with usury laws of any state?

22 A. No, I did not.

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1 A. Yes.

2 Q. Ms. Kelly asked you about the New York case and
3 she asked you about Operation Chokepoint. Again,
4 anything about those matters, Operation Chokepoint or
5 the New York case, impact your belief in the legality of
6 the loans issued by Red Rock and Duck Creek?

7 A. No.

8 Q. Anything about Operation Chokepoint or the New
9 York case which impacts your belief in the legality of
10 the conduct that Bellicose VI and Bellicose Capital?

11 MS. KELLY: Object to the form: Lack of
12 foundation. He testified he doesn't know anything about
13 that.

14 MR. SCHEFF: He testified it had no impact
15 on his beliefs either, unlike your attempted inference
16 when you asked him questions.

17 BY MR. SCHEFF:

18 Q. Can you answer my question, please?

19 A. Yeah, it didn't affect our beliefs.

20 Q. Now, Bellicose Capital I believe you stated was
21 created as a result of moving to Puerto Rico. Is that
22 right?

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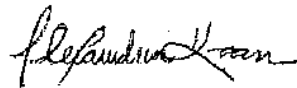
1 District of Columbia, to wit:

2
3 I, Alexandria Martin Kaan, Notary Public of the
4 District of Columbia, do hereby certify that the
5 within-named proceedings took place before me at the
6 time and place herein set out.

7
8 I further certify that the proceedings were
9 recorded stenographically by me and this transcript is a
10 true record of the proceedings.

11
12 I further certify that I am not Counsel to any of
13 the parties, nor an employee of Counsel, nor related to
14 any of the parties, nor in any way interested in the
15 outcome of this action.

16
17 As witness my hand this 7th day of April, 2019.

18
19
20 

21 _____
22 Alexandria Kaan

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Reference No.: 3916927

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DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury that I have read the entire transcript of my Deposition taken in the captioned matter or the same has been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the DEPOSITION ERRATA SHEET hereof, with the understanding that I offer these changes as if still under oath.

Daniel Gravel

NOTARIZATION OF CHANGES
(If Required)

Subscribed and sworn to on the _____ day of

_____, 20____ before me,

(Notary Sign)_____

(Print Name) _____ Notary Public,

in and for the State of _____